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FORTHCOMING EVENTS.

Monday, 26th June:—
3 p.m.—Auction of Crown Land at Public
Works Dept.
Wednesday, 28th June:—
4 p.m.—Election of a Justice of the Peace
for the Licensing Board.
Saturday, 3rd July:—
3.45 p.m.—Third Grahams Meeting at the
Race Course, Happy Valley.
Wednesday, 19th July:—
The "Derwongse" Steamship Co.
Room—The "Derwongse" Steamship Co.
1st. Final Winding-up Meeting at the
Company's Office.
22.15 p.m.—The "Phranang" Steamship Co.
1st. Final Winding-up Meeting at the
Company's Office.

SHANGHAI LIBEL ACTION.

MESSRS. LOWE, BINGHAM AND
MATTHEWS PLAINTIFFS.

The hearing was resumed in the Danish
Consular Court, Shanghai, on the 15th
instant, of the action for libel which
Messrs. Lowe, Bingham & Matthews, the
well-known firm of accountants and
auditors, are bringing against J. E.
Melehoir, a Danish subject carrying on
business as an accountant and auditor at
No. 45, Rue de Consulat, Shanghai.

The plaintiffs in March made a report
upon the affairs of the branch of the
Bank of China in Shanghai, and it is
alleged that defendant published a state-
ment to the effect that they had been
corrupted into issuing a false and inten-
tionally misleading favourable report
upon the Bank's position.

Mr. J. E. Bingham, one of the
plaintiffs, said he was an incorporated
accountant. He had read the document
complained of by his partner sending it to
him in Japan. He, with his staff, had
investigated the affairs of the Bank of
China and the report was a true one.
Witness in making the report had no in-
tention of misleading anyone, nor had he
been corrupted to give a false report.
He had not been offered any bribe. Mr.
Passerli told witness that there was a
campaign in the vernacular press to
damage the credit of the Bank of China
in Shanghai. On March 4th witness
was asked to make a report on the affairs
of the bank in Shanghai. Mr. Sung, the
manager, stating that he hoped to stop
the damage done by the campaign. Wit-
ness was given free hand and worked
at it for about ten days. Had the bank
not been in a sound condition witness
would have said so.

The fee Tls. 550 was the same as in
the case of any other firm and was based
on the time spent on the work.

After the report had been made out
and before he left for Japan, Mr.
Passerli came to see witness and told him
that Mr. Melehoir went round to see Mr.
Sung and as a result the latter was
considerably upset. Witness saw Mr.
Sung, who complained that he was afraid
that the defendant was making an effort
to criticize the bank in some shape or
form. Witness told him there was no-
thing to be frightened of as the report
on the bank's condition was perfectly
correct.

"I was employed to do a certain
piece of work and I did it to the best
of my ability. It is an honest report
and it was issued as I would issue it for
any other firm, who employed me. Most
of my clients were amused at the libel.
The libel itself as I don't know to what
it was sent, but I don't know to what
other parts of the world the libel has
been sent. They may not know me in
other places and might take it seriously."

In cross-examination with regard to
the statement, that on the Government
account the bank was \$800,000 in hand,
witness considered it a perfectly proper
statement to make; it was in fact the
position in Shanghai. Witness had made
audit on the bank before. Witness was
asked to make his report as of March 4th.
He could not say whether remittances
were received from Peking between
February 29th and March 4th.

In answer to Mr. McNeill witness said
there was always a distinction in his
mind between the affairs of the Shanghai
branch and the bank as a whole.

Mr. Rice, who appeared for the de-
fendant, indicated that the defence would
attempt to show that the report, which
was the subject of Mr. Melehoir's
criminal case, was one which could not pos-
sibly be justified as coming from any
branch, which was properly careful of what
it put into circulation for the public to
read. They would show that the report
was misleading not only to ordinary
persons, men of no special knowledge,

but also to men of the highest special
knowledge. The defendant, having put
his hand to the plough, was determined
that he would let the public know what
the report meant. The attempt to get a
voluntary correction, from the three
prosecutors, failed and an attempt to get
a correction published was met with
opposition in the newspaper offices.

The defendant accordingly published the
circular complained of. Defendant read
his circular and pointed out his conten-
tion that the plaintiff's report did not
make it clear that it was only the affairs
of the Shanghai branch that had been
under investigation. The report there-
fore was of no value; it was misleading.
Witness claimed that, while there might
have been \$800,000 to the credit of the
Government in Shanghai, it might owe
the bank in Peking \$10,000,000 without
the auditors of the Shanghai branch
knowing it. He claimed that it was mis-
leading to say that the financial position
of the branch was good; a branch has no
financial position.

Mr. G. Passerli, financial adviser to
the Chinese Government, holding a diplo-
ma as an accountant and auditor, and
the plaintiffs' report was to his know-
ledge the only report issued upon the
bank's affairs. There were 140 branches
to the bank and the delay in issuing a
report for 1915 was on account of the
time taken to get the different balance
sheets together. He did not regard the
defendant's criticism seriously. It was
an honour to it to call it a criticism; a
criticism was founded on fact. The
publication of the report and witness's
letter was not misleading. If never
entered his mind that the report and his
letter would be considered as dealing
with the bank as a whole.

The defendant recalled, in answer to
Mr. McNeill, said he did not inform the
plaintiffs of his intention to publish his
circular, because the report was not
published by them but by the Bank of
China. The report, being a report on
the affairs of a branch was meaningless;
if it had one, the only meaning to be
derived was misleading.

In answer to Mr. Rice, the defendant
said that besides himself and the editor
(Continued on next Column.)

PORTUGUESE PAMPHLETS.

LIGHT ON A RECENT SHANGHAI
SCANDAL.

Says the North-China Daily News:—
With the departure on leave of Mr.
Barjona de Freitas, Consul-General for
Portugal, it is permissible to throw some
light on the events which have recently
conspired to the Portuguese community,
giving rise to general scandal, scurrilous
pamphlets and agitation among the
Portuguese all up and down the coast.

PATENTS OF NATIONALITY.
It will be within our readers' recollec-
tion that, some three or four years ago,
attention was called in these columns to
the free purchasing by Chinese of patents
of Portuguese nationality, which would
be held secretly until the owner came
into collision with the Chinese or other
authorities, when the patent was flourish-
ed in the face of the judge, and the owner
escaped triumphantly into the shelter of
the Portuguese courts, which may have
had probably did have, their suspicions
as to the manner in which these patents
had been obtained, but could do no less
than recognize them according to law.

The nuisance had become so notorious
and so many complaints had been made
to the Portuguese authorities both by the
Chinese and representatives of other
Governments, that Mr. Barjona de
Freitas on his arrival in Shanghai was
specially instructed to do his utmost to
discover the source of the evil. Investiga-
tion revealed the existence of a coterie,
chiefly, we believe, resident in Macao
but also having a branch in Shanghai
which drove a profitable trade in obtain-
ing patents of nationality and selling
them to Chinese for considerable sums of
money. Mr. Barjona's efforts were
directed to unmasking the operations of
this coterie; he took the matter up actively
with the Macao authorities and was so
far successful that the patent-dealers
were to find the prospects of their
trade seriously threatened. And thus the
fight began.

The coterie was composed of men of no
small influence in the Portuguese com-
munity, and this influence they did not
scruple to use to the utmost of their
power. More than once during the past
three years the quarrel has burst into
some open demonstration, which attracted
passing attention by other foreign
communities, but in the main the contest
was as silent as it was determined.

A SCURRILOUS CAMPAIGN.

A few weeks ago, however, the cam-
paign against the Consul-General took a
new turn. Shanghai began to be flooded
with pamphlets printed in English,
attacking Mr. Barjona in the grossest
and most scurrilous manner. Two of
these pamphlets were issued within about
three weeks, and several others were
threatened to be forthcoming. There was
scarcely a business man in Shanghai who
did not receive one. So far as we are
aware no attempt was made to question
Mr. Barjona's administration of his con-
sulate. The writers confined themselves
entirely to personalities, of which they
were anything but sparing.

It was impossible for anyone in authori-
ty, especially in the peculiar position of
the consul of a foreign community in
China, to disregard such pamphlets, the
authors of which were well-known. They
were causing a great deal of excitement
among the Portuguese community; were cer-
tainly not unanimous; and hints were
even given to Mr. Barjona from an out-
side quarter that Shanghai was not a
Portuguese colony but an international
settlement, in the general interests of
which so much feeling was extremely
undesirable.

As Portuguese law then stood, however,
it was impossible to deal adequately with
the agitators; and accordingly Mr.
Barjona telegraphed to Lisbon recom-
mending two new additions to the code,
which would enable him to put an end
to the campaign. It is admitted that
these additional orders were drastic, but
it is argued that drastic measures were
needed. And when in resistance to the
harsh orders by Mr. Barjona under
these new powers, a member of the Por-
tuguese community barred himself into his
house and proceeded to defy the police
with a loaded revolver, as it will be re-
membered, actually occurred a few weeks
ago, there is evidence presumptive of the
height of feeling and the need for strong
measures.

Shortly after this, the Portuguese
Minister arrived from Peking to inquire
at first hand into the quarrel; and on
his advice Mr. Barjona applied for six
months' leave, for which he was
due. The pamphlets had been suppress-
ed. The coterie of dealers in patents of
nationality had been taught that they
could not rouse the whole Portuguese
community in the interests of their trade
with impunity. It was advisable to allow
time for the air to clear.

It is to be hoped that the last has been
heard of a scandal which does the name
of Portuguese in China no good.

of the North-China Daily News, others
were misled. In support of this witness
quoted from a correspondent in the same
paper. "The Economist" has published
the purport of the auditors' report on
the bank of China. We all regard it
here as satisfactory."

In reply to the court witness said that
he was not bribed. He meant that they
had been induced, they might have been
talked over to do it against their better
knowledge. He agreed that the word was
a strong one, but the circumstances
necessitated its use.

In answer to Mr. McNeill, witness
said unless his investigation made an
acquaintance with the articles necessary,
he should not press for it.
After addresses by counsel, judgment
was reserved.

PRESIDENT LI AND THE SOUTH.

THE NEW PRESIDENT'S POLICY

A telegram was sent by President Li
Yuan-hung to the Southern Army,
asking the leaders to agree to his follow-
ing proposals:—

(1) Now that Yuan Shih-kai has died,
no more criticism should be made as to
his later actions in consideration of his
past services.

(2) As the cause for conflict no longer
exists, troops should be withdrawn and
a settlement should be reached as speedily
as possible.

(3) Having disposed of the present
situation as above-indicated, you should
come to Peking for a conference to decide
as to the best steps to be taken for the
future good of the country.

Mr. Liang Chi-chao, who is in Shang-
hai in mourning for his deceased father,
has submitted three demands to the new
President:—

(1) That the old provisional constitu-
tion be restored.

(2) That a cabinet composed of men of
talent be formed.

(3) That the leading offenders be
punished.

He also requests that the Conference
between the North and the South be held
in Shanghai.

It is reported that for the sake of
restoring the unity of the nation, the
President is willing to carry out the
demands of the South to punish the
leaders in the Monarchical movement,
pardon the revolutionaries, summon the
Parliament and restore the original pro-
visional constitution, provided the dis-
affected provinces will first cancel their
declaration of independence. Mr. Liang
has declared Premier Tuan to telegraph to his
southern leaders, informing them of his
readiness to comply with their demands
on this condition. But it is said that
the southwest provinces are insisting
upon the restoration of the old pro-
visional constitution before the cancellation
of their independence.

However, telegrams from Chen Yi,
of Szechuan, and Chen Shu-fan, of Shensi,
have reached Peking, expressing their
satisfaction at General Li Yuan-hung
succeeding to the Presidency, and offer-
ing the loyal support of their respective
provinces to the Central Government, to
which they wholeheartedly offer allegi-
ance again. It is believed that Hunan
and Chekiang will follow suit and renew
their allegiance to the Peking Govern-
ment in a day or two.

President Li Yuan-hung has received
the foreign advisers, to whom he has
expressed his desire to profit by their
service in the introduction of reforms.
He outlined to them his policy which will
be: (1) To respect and uphold the laws
of the country. (2) To introduce a
system of education that will reach the
masses. (3) To develop industries and (4)
extend facilities of communication.

TWO MORE LINERS FOR THE PACIFIC TRADE.

S.S. "SIBERIA" AND "KOREA"
BOUGHT BY THE TOYO KISEN
KAISHA.

The Toyo Kisen Kaisha has bought the
two liners *Korea* and *Siberia* (formerly
part of the Pacific Mail fleet) to meet
the demands for passengers and freight
accommodation on the Pacific and to
replace the *Chigo* which went to pieces
off Hongkong recently.

Since the two boats left the Far East
in August last they have been plying be-
tween New York and Liverpool. The
return of these two liners will greatly
relieve the congested condition of freight
and passenger traffic on the Pacific. The
Korea and the *Siberia*, which are of
similar size, have gross tonnage of 18,000
tons each.

Both steamers are in New York at
present. Sailing from New York some
time this month the *Siberia* will arrive
at Yokohama on or about July 15th,
coming by way of San Francisco and
Honolulu. She will be followed by the
Korea, starting from New York about
one month later. She will be in Yoko-
hama by the middle of August. Both
steamers will be thoroughly inspected
before a commission is granted from the
Japanese Government.

That the purchase of the two former
Pacific Mail liners is only a part of a
larger scheme of expansion is shown by
the fact that the capital of the company
is to be increased from Y. 13,000,000 to
Y. 32,500,000. This decision was reached
at a meeting of the principal share-
holders at the residence of Mr. Asano,
the president of the Company. For the
present, however, Y. 9,750,000, or enough
to build five new freight vessels which
are planned for the company's trans-
Pacific service.

It is also announced that the Toyo
Kisen Kaisha paid Y. 4,000,000 each, for
the *Korea* and *Siberia*. To pay for them
the sum of Y. 3,250,000, or the balance
for outstanding new shares which were
paid in recently, and the insurance
money, amounting to Y. 3,700,000, which
the Toyo Kisen Kaisha received for the
Chigo Maru, will be used, says the *N.Y.C.*
Daily News.

According to the Chinese Press, the
China Merchants' S. N. Co. have decided
to resume running their steamers to
Canton and Tientsin. For some time
past, (says the *N.Y.C. Daily News*) the
Company had withdrawn their vessels
from these two routes because of the
arbitrary detention of their vessels by the
authorities.

SHANGHAI MUTUAL TELEPHONE CO., LD.

ANNUAL GENERAL MEETING.

The annual meeting of the Shanghai
Mutual Telephone Co., Ltd., was held on
June 16th.

The amount available for appropri-
ation (Tls. 102,952.38) was distributed as
follows:—

Four taels per share, to share-	
holders	73,744.00
Bonus of Tls. 1 per share	18,436.00
To directors' fees	2,400.00
To reserve fund	50,000.00
Ten per cent. bonus to foreign	
staff	7,258.15
Carry forward to next year's	
account	11,114.04
	102,952.38

The Chairman (Dr. Macleod) com-
paring the "figures of the working account"
with those of the preceding year and
omitting costs, referred to the fact that
the expenditure shows an increase of
Tls. 23,838. Continuing, he said, the in-
crease of expenditure is more than met
by the increase in receipts, and we are
able to carry forward to profit and loss
account Tls. 12,520 more than we did last
year.

Turning to the profit and loss account
you will note that we have written off
Tls. 2,919 more in depreciation than we
did last year.

Owing to the war it has been found
impossible to get delivery of supplies, a
tender for which was accepted two years
ago. These supplies were for the exten-
sion of the central exchange switchboard,
and owing to their non-delivery is largely
due the congestion I have previously men-
tioned. To enable the company to carry
out the work of installing telephones for
new subscribers, of which there are an
ever increasing number, it was decided
by your directors to send Mr. Cole, the
engineer-in-chief, to Japan, America and
possibly Europe, to purchase a 3,500 line
switchboard for the exchange now being
built, so that delivery may be assured
and the work of the company as little de-
layed as possible. Mr. Cole left Shang-
hai on May 20th.

HONGKONG VOLUNTEERS.

CORPS ORDERS BY LT.-COL. A. CHAPMAN, V.D.

NOTICES.

1.—H.E. the G.O.C. will present the
United Service Hockey League
Shield to the Winners (H.K.V.C.)
at the Soldiers' Club, on Wednesday,
21st instant, at 5.30 p.m.

2.—2nd-Lieut. W. Brown is granted leave
of absence from 19th June, 1916, to
24th June, 1916.

No. 1434 Pte. Robson is granted 2
months' leave of absence from 20th
instant.

MUSKETRY.

3.—"A" All Co. Serge-Majors will at-
tend the Orderly Room immediately
after parade to-day, 20th inst., to
draw their Co. Musketry Returns
for the 1916-1917 season from the
Corps Staff.

"B" All Recruits will fire Part I.
Annual Musketry Course at
King's Park Range as under:—
June 24th—Left Section M.G. Co.,
2.30 p.m.

June 25th—Right Section M.G. Co.,
9 a.m.

June 27th—Centre Section M.G. Co.,
5 p.m.

July 1st—Artillery Battery, 2.30
p.m.

July 2nd—Artillery Battery, 9 a.m.

July 3rd—Engineers Co., 2.30 p.m.

July 9th—Artillery Battery, 9 a.m.

July 15th—Civil Service Co., 2.30
p.m.

July 16th—Signalling Sec., 9 a.m.

July 22nd—Scouts Co., 2.30 p.m.

July 23rd—Scouts Co., 9 a.m.

Corpl. Grimes will attend on all the
above dates. O.C. Co. will make
the necessary arrangements for the
proper supervision of these prac-
tices and the checking of the am-
munition used. An Officer of the
unit firing should be present.

PARADES.

4.—Parades for Tuesday, 20th inst.:—
7 a.m. Signalling Section "C"
Class, on Cricket Ground.

6.15 p.m. All units of the Corps,
(excepting members on duty) at
Headquarters. Dress: Drill
order khaki. Officers will wear
swords at the close of the parade
(6.15 p.m.) His Excellency the
Governor will present the Colonial
Auxiliary Forces Officers' Decora-
tion (V.D.) to Capt. W. Arm-
strong.

5.30 p.m. Signalling Section "A"
"B," and "C" Classes at Cause-
way Bay (Headquarters if wet).
Parades for Wednesday, 21st inst.:—
7 a.m. Signalling Section "C"
Class, on Cricket Ground.

DETAILS.

5.—On duty till 22nd inst.: H.K.V.R.
Next for duty 22nd inst.: Left
Section M.G. Co.

Orderly Officer 23rd to 26th inst.:
Lieut. Preston.

A. F. Churchill, Capt.
Adjutant, H.K.V.C.

HONGKONG POLICE RESERVE.

COMPANY PARADES.

Tuesday, June 20th.—No. 3 Co.
Wednesday, June 21st.—No. 1 Co.
Thursday, June 22nd.—No. 4 Co.
Friday, June 23rd.—Ambulance Co.

ARMLETS.

The Metropolitan Police pattern armlets
will be produced by all ranks on the
above parades.

EQUIPMENT OFFICERS.

Equipment officers are required to send
forthwith to this office the follow-
ing information:—
(a.)—Business and Private Telephone
Numbers of all Inspectors and Ser-
geants.
(b.)—List of N.C.O.s and men who
can ride a bicycle and possess one.
F. C. JESSIE,
D.S.P. (R).

[TO THE EDITOR OF THE "HONGKONG
DAILY PRESS."]

The tax has an advantage in being comparatively simple to collect by fixing the responsibility for its payment on the payer of the dividend, interest or rent, who would, consequently, be authorised to deduct the tax from his payments.

A tax of $\frac{2}{3}$ per cent. based on the above income will bring in £200,000 annually, or double the Government's loss of 1 per cent. for interest.

[TO THE EDITOR OF THE "HONGKONG
DAILY PRESS."]

J. BELLUM.

Lieut. Alex Bryant Cumming, The Black Watch, who was killed in action on April 21-22, was the eldest son of the late Alex Cumming, of Singapore, and was in his 21st year.

Lt-Colonel Michael Bradley Roberts, Royal Garrison Artillery, wounded, took part in the suppression of the Boxer outbreak in China in 1900, receiving the medal.

The facts of the case, as adduced by the prosecution, were that Complainant, a Chinese hawker, was returning to Kowloon City from Shatin, where he had been selling cakes, when the robbers attacked him. They robbed him of everything worth carrying away, and then left him to a tree. He was rescued from his unfortunate position soon afterwards by a Chinese farmer.

The men were found not guilty, and they were accordingly discharged.

(Continued on next Column.)

The accused was found guilty and sentenced to seven years' imprisonment with hard labour and fifteen strokes with the cat.

Subsequently his lordship commended the fitter for his plucky act. Many men in the Colony in such circumstances, he said, would try to get away and take no notice of the happening. If there were more men like the fitter in the Colony bad characters would be less dangerous. He also commended the woman for holding on to the knife.

HONGKONG AND SOUTH CHINA.

M R. F. S. LEEDS, of Newchwang and Mukden, draws our attention to the fact that the entry appearing under the Firm which bears his name in the current issue of the "DIRECTORY AND CHRONICLE FOR CHINA, JAPAN, ETC." is entirely incorrect. We sincerely regret the mistake and any annoyance it may have caused.

THE PUBLISHERS.

THE WAR.

CZERNOWITZ TAKEN.

BRILLIANT FEATS OF BRUSILOFF'S ARMY.

ATTEMPT TO BREAK ITALIAN LINE FAILS.

CONSIDERABLE FIGHTING IN FRANCE.

THE KING AND THE FLEET.

RUSSIAN FRONT.

[THROUGH REUTER'S AGENCY.]

CZERNOWITZ CAPTURED. AN IMPORTANT SUCCESS.

PETROGRAD, June 18th.

After desperate fighting, the Russians occupied Czernowitz.

AUSTRIA ADMITS LOSS OF TOWN.

AMSTERDAM, June 18th.

An Austrian communiqué says:—Yesterday the garrison of the Czernowitz bridgehead were compelled to withdraw before a concentrated fire from the superior enemy. In the night the enemy forced the passage of the Pruth at several points and entered Czernowitz as our troops evacuated it.

HOW THE TOWN WAS TAKEN.

GRAPHIC DESCRIPTION FROM ENEMY SIDE.

AMSTERDAM, June 18th.

The Berliner Tageblatt gives a graphic description of the scenes at Czernowitz from the enemy side. It says the actual struggle for possession of the town began on Whit-Sunday, and was preceded by a curt Police Proclamation, in which the population were warned that the town would be bombarded that day.

A heart-rending exodus began, endless streams of Christians, Jews, Germans, Rumanians, Poles, and Ruthenians passing through the streets. But the shells were already shrieking overhead.

There were the same scenes on Monday, with the addition of smoke and the glare of fires caused by the shells.

The town Council issued hourly encouraging reports, but on Monday night the intensity of the bombardment made us shudder. On Tuesday the fighting was most desperate. It lulled in the afternoon, but on Wednesday the bombardment was bellicose, as if a thousand volcanoes were vomiting fire on the town. Storming columns were now assailing the trenches, the defence of which was very heroic.

BRUSILOFF'S PROGRESS CONTINUES.

DESPITE REPEATED ENEMY COUNTER-ATTACKS.

PETROGRAD, June 18th.

A communiqué says:—Despite the enemy's resistance and repeated counter-attacks General Brusiloff's forces continue to progress in various directions.

At four o'clock yesterday afternoon General Letchitsky's troops stormed the Czernowitz bridgehead, on the left bank of the Pruth and occupied Czernowitz after desperate fighting, the forts and bridges being destroyed.

In the fighting for the bridgehead we took over 1,000 prisoners, and captured guns. We are pursuing the enemy, who is retreating towards the Carpathians. General Kaledine repulsed desperate counter-attacks in the Sty and Stokhod regions, the attackers including Germans brought from the French front. Over 2,000 Austrian and German prisoners were brought in.

General Kaledine has taken prisoner since the 5th inst. 71,000 officers and men, 83 guns, and 238 machine-guns. On the Dvina front there has been violent artillery fighting.

JAPAN CONGRATULATES RUSSIA.

PETROGRAD, June 18th.

The Tsar has received a telegram from the Emperor of Japan congratulating him on the glorious victory in Galicia.

[THROUGH REUTER'S AGENCY.]

RUSSIANS ADVANCING ON LEMBERG.

A BRILLIANT FEAT.

PETROGRAD, June 18th.

North of Lemberg, the enemy is falling back on the strongly defended Vladimir Volynsk-Sokal line, whither the Germans are speeding reinforcements.

The Russians are now advancing from the north-east in the direction of Lemberg on both sides of the Dubno-Lemberg railway.

The Russians performed a brilliant feat, storming over three miles of formidable enemy positions along the flooded Pliashivka, flanked by a series of ten lakes, and supported by fire from the heights. This operation, in conjunction with the capture of the Rostok Forest, decided the fate of the whole of the Kremenets region.

The enemy had no option, in order to escape General Sakharoff's claws, but to beat a hasty retreat westwards towards Brody, leaving another section of the Lemberg railway in Russian hands.

The latest reports from Lutsk show that the evacuation developed into a panic-stricken flight. A Russian armoured-car detachment dashed through the enemy's fire and reached the heart of Lutsk, adding to the confusion and enabling the Russians to occupy trenches and the town with very small losses.

FRANCO-BELGIAN FRONT.

[THROUGH REUTER'S AGENCY.]

SEVERAL GERMAN ATTACKS.

REPULSED WITH HEAVY LOSSES.

PARIS, June 18th.

4.40 p.m.

A communiqué states:—After a most violent bombardment the Germans made several attacks on our new Morthomme positions, but despite the use of liquid fire they were repulsed with serious losses.

We entirely maintained our previous gains. A series of enemy attacks north of Thiaumont failed after most sanguinary losses.

A grenade attack on the approaches to Hill 320 was repulsed.

ARTILLERY DUEL AT VERDUN.

MINING ACTIVITY IN ARGONNE.

PARIS, June 18th.

11.40 p.m.

A communiqué states:—The artillery duel on the northern Verdun front has assumed a certain intensity in the region of Hill 304 and the sector north of the village of Thiaumont. There has been no infantry attack. It has been quiet elsewhere, except in Argonne where active mining activity has continued.

We brought down five enemy aeroplanes at Verdun, and two Fokkers east of Bezauges, one being afire. One of our machines was compelled to alight. A French air-squadron bombed enemy depots at Semide, and the railway stations and factories at Thionville, causing two explosions, and also aviation establishments at Etain and Tergnieres. Enemy aeroplanes bombed Ponta-Mousson, Nancy and Baccarat, doing insignificant damage.

[THROUGH REUTER'S AGENCY.]

MUCH AERIAL ACTIVITY.

THIRTY AIR COMBATS.

LONDON, June 18th.

General Sir Douglas Haig, in a communiqué, states:—There was much flying yesterday owing to the better weather. There was a marked increase in hostile aerial activity. One British machine attacked in the course of a reconnaissance, eight enemy machines, and drove down two in the enemy lines. There were altogether thirty air combats, but no other decisive results. Otherwise, for the last twenty-four hours it has been quiet.

ITALIAN FRONT.

[THROUGH REUTER'S AGENCY.]

VIOLENT ENEMY EFFORTS. TO BREAK ITALIAN LINE.

ROME, June 18th.

A communiqué states that south-west of Asiago the enemy has renewed his violent efforts to break our line, but was always repulsed with the most heavy losses. Between the rivers Frenzela and Marcesina our infantry continues to advance, though impeded by intense artillery fire in wooded country. In the fight on the 16th we took 308 prisoners and twelve machine-guns, in addition to those already reported. There has been no withdrawal of enemy forces on the Italian front, and as our counter-offensive develops it will become more difficult.

NAVAL ACTIVITIES.

[THROUGH REUTER'S AGENCY.]

WAS THE "FRANKFURT" SUNK?

COPENHAGEN, June 18th.

A Danish smack has brought in the body of an officer from the German cruiser Frankfurt.

[A German newspaper recently admitted that the new cruiser Frankfurt was "damaged" in the Jutland fight.]

GENERAL.

[THROUGH REUTER'S AGENCY.]

KING VISITS GRAND FLEET. AN INSPIRING ADDRESS.

LONDON, June 18th.

H.M. the King, during a recent visit to the Grand Fleet, addressed representatives of the various units on parade. His Majesty said:—

"You have waited for nearly two years, with most exemplary patience, for an opportunity of engaging the enemy's fleet. I can understand how trying this period has been, and how great the relief when you knew, on May 31st, that the enemy was sighted. Unfavourable weather and approaching darkness prevented a complete result, but you did everything possible in the circumstances. You drove the enemy to his harbours and inflicted the most severe losses. You added another page to the glorious traditions of the British navy. You could not do more. I thank you for your splendid work." The King at the conclusion of his visit sent a message to Admiral Jellicoe in which he said:—"The name of the British navy has never been higher in the eyes of your fellow-countrymen. Good luck and God speed. May your future efforts be blessed with complete success."

LONDON VOLUNTEERS REVIEWED.

LONDON, June 18th.

Field-Marshal Viscount French reviewed at Hyde Park 10,000 London Volunteers over military age, who were recently recognised by the War Office.

SIR MATTHEW NATHAN.

LONDON, June 18th.

Lieut.-Colonel Sir Matthew Nathan has returned to the Army.

COLLISION NEAR BIRKEN- HEAD.

LONDON, June 18th.

The liner *Chan Ross*, outward-bound, collided with a coal elevator at Birkenhead. Fire broke out in the forehold, where the cargo was mainly composed of sulphur, but eventually the ship was successfully docked.

[THROUGH REUTER'S AGENCY.]

TRAGIC END OF VON MOLTKE.

DIES AT MEMORIAL SERVICE TO VON DER GOLTZ.

AMSTERDAM, June 18th.

General Von Moltke (who was, at the outbreak of war, Chief of the Imperial General Staff) died in the afternoon while representing the General Staff at a Memorial Service in honour of the late General Von der Goltz, in the Reichstag.

THE ECONOMIC CONFERENCE.

LONDON, June 18th.

The Paris economic conference closed with a series of resolutions which were unanimously passed, and these will be subsequently published.

Laif Crewe, interviewed, said that the decisions reached will be approved alike by Allies and neutrals, and will convince their enemies of the ability of the Allies to definitely end the German dream of economic hegemony.

A Russian delegate to the conference said that the economic union of the Allies had been realised. It would make neutrals understand that both their interests and security forbid alliance with Teutonic nations.

FAR EASTERN PRELATE DESIGNS.

LONDON, June 18th.

The Bishop of Labuan and Sarawak has resigned owing to ill-health.

MEXICO AND AMERICAN INTERVENTION.

WASHINGTON, June 18th.

The Commander-in-Chief on the Mexican border announces that the leader of the Carranza troops at Chihuahua has threatened that any further American movement will be the signal for a Mexican attack.

REMOVAL OF ENEMY SUB- JECTS FROM THE "CHINA."

BRITISH GOVERNMENT'S CON- SESSION TO THE U.S.A.

A Memorandum from the British Foreign Secretary to Washington formally accedes to the demands of the United States Government in the case of the steamship *China*. This ship, it will be remembered, was stopped by a British cruiser and 38 Germans, Austrians, and Turks who were on board were removed. The memorandum states that it is the intention of the British Government to release these persons, and expresses regret, but Great Britain reserves its decision so far as the question of principle is involved. The United States contention is that no belligerent has a right forcibly to take persons off a ship which is at the time flying the American flag.

DIDDLING THE GERMANS.

"HUN" BUYS SUGAR FOR GREAT BRITAIN.

The indignation of Mr. W. M. Hughes, the Australian Prime Minister, against the National Sugar Commission, for employing a German to purchase sugar, expressed in his speech at a meeting called by the British Empire Producers not long ago, is somewhat misplaced. In reality the employment of this so-called German was a remarkably clever piece of strategy.

The sugar had to be purchased in a neutral country, and the National Sugar Commission knew that if they employed one of their regular English agents to accomplish the transaction they would have to compete with buyers representing the German Government, who were equally anxious to secure the sugar. If British and German agents had started to bid against each other the price would have been run up to an exorbitant extent.

The National Sugar Commission were clever enough to foresee this possibility, and the brilliant idea occurred to them of obtaining the services of an agent with a German name, who was willing to act on their behalf. When the time came for purchasing the sugar, the real German agents found that there was, apparently, no British competition. They believed that the German named agent acting for the National Sugar Commission was another agent of the German Government, and consequently did not bid against him.

The astonishment and intense chagrin of the "Huns" is better imagined than described when they found that the sugar had actually been purchased on behalf of the British, and that the British Government had thereby been saved many thousands of pounds.

PRIME MINISTER'S GREETING TO RUSSIAN VISITORS. NEW ERA OF FRIENDSHIP.

The members of the Russian Duma and Council of the Empire visiting Great Britain were entertained by the Government at dinner at Lancaster House. After the toast of "The King" and "The Emperor of Russia" had been honoured, Mr. Asquith, who was cordially received, said:—

I have now the pleasure of proposing the toast of our guests and of offering a most cordial welcome in the name of His Majesty's Government and of both Houses of Parliament to the distinguished representatives whom we see here of the Council of the Empire and of the Duma. We are particularly glad to have you as our guests on the eve, for such believe it is, of the 10th anniversary of the first assembling of the Duma. The great fraternity of Parliaments now almost encircles the world, and we have the privilege, perhaps the melancholy privilege, of age to salute you in the birthplace of Parliaments. (Cheers.) I trust, highly, with what warm participation, we in this country have followed the exploits of the Russian Army on the Eastern front. While awaiting the due moment for decisive action, they keep the enemy's forces constantly harassed, and seize every opportunity for aggression and the gallant Army of the Caucasus, under the brilliant strategy of the Grand Duke and his Staff, and the dashing lead of his generals, has surmounted almost inconceivable difficulties and hardships in the victorious advance which has already been marked by the capture of Erzerum and Trebizond. (Cheers.) In Persia, too, the Russian forces have completely transformed the situation, which contained elements of grave menace.

We shall offer our visitors, I hope, during their stay amongst us opportunities of forming a judgment on our own contribution to the Allied cause. I may be allowed to say to them that I trust that what they see here may tend to confirm their confidence in the energy and persistence of their Ally. The deeds of our British soldiers at the front call for an emphasis, but there are other sides of our activity which are less conspicuous, and it is these that we shall hope to show to our guests.

The burden borne, and the success achieved, by the Royal Navy (cheers), are nowhere better known or better appreciated than in Russia; and, if I may judge by my own experience, the sight and contact which bring us a sense of the full reality of its power come almost as a surprise to those who have heard and read of its achievements. We hope, also, you may see something of our meritorious marine, and what is being done in our shipyards and our munition factories. For we all realize we are members of a common partnership, and that it is the duty, as it is the pride and privilege, of each member of that partnership to contribute to the utmost limits of its opportunities and resources to the common fund and the common object. (Cheers.)

One of the most gratifying results of our alliance is the complete agreement which has been established between the British and Russian Governments in regard to Eastern affairs. (Cheers, hear, hear.) I remember, as do many here, the days when in that quarter, whether in Europe or in Asia, the interests of the two Empires were supposed in both countries to be irreconcilably antagonistic. Our normal attitude to one another was one of sleepless vigilance, and I may almost say sensitive suspicion, and more than once there was a possibility, and even more than a possibility, of an actual rupture of our relations. Those days of misunderstandings are happily over, and whether it be in Turkey or in Persia, or wherever British and Russian interests come into contact with one another, we have arrived at a common policy, which we are both determined to follow, and in concert to pursue. And for this purpose, let me add, the accord which has now existed so long and so happily between your illustrious Minister of Foreign Affairs and my friend and colleague, Sir Edward Grey, is of incalculable value. (Cheers, hear, hear.)

But it is not merely, I will venture to say it is not mainly, a question of partnership between Governments. It is a question of an ever-growing sense of brotherhood and fellow-feeling between peoples. (Cheers.) And speaking here, if I may for a moment, in the name of the British Parliament, the representatives of the people of the United Kingdom, to you, our guests, who come here as the representatives of the people of Russia, I venture to say each stretches out a hand. We forget, we blot out, all the misunderstandings of the past, and we realize that each can give something and that each can take something from the other, and that in the growing sense of intimacy and unity between the great Russian people and the people of the British Empire, which the common sacrifices of this war have deepened, and I am not going too far when I say consecrated, you see one of the best hopes for the future of mankind. (Cheers.)

We are told from time to time of the not unnatural endeavours which are made by our enemy to weaken the mutual confidence of the Allies, and to detach, now one and now another of the Allied Powers from the rest. Such endeavours are not only let me say, clumsy in method, but they are foredoomed. (Cheers.) Germany knows for this purpose nobody knows better—that if we are united, and continue to be united, we must conquer. But we know it too, and in this knowledge we shall stand together, however long and however severe the test of our common endurance may be, until we can have beaten to the ground the forces which now withstand us, and we shall begin in peace to rebuild, in concert with one another, the shaken fabric of European civilization. (Cheers.)

Mr. Gorke first responded. He and his colleagues had been eye-witnesses of British activity in reinforcing the glorious Army and its noble Navy, but this could not and must not be the

(Continued on next column.)

GERMANY'S NECESSITY. VON HINDENBURG'S PURPOSE- LESS ATTACKS.

The Petrograd correspondent of the *Morning Post*, writing on May 24th, says:—The Germans maintain such a continuous series of apparently purposeless attacks upon Russia's northern European front as to produce a growing conviction here that the line of the Dvina, at any rate, is not the real objective of anything Germany may be planning for this summer. The neutral Press appears to be freely used by Germany to create an impression that her aim is to force a triumph. *Credat Judeus*. It is held here that the truth lies much nearer to the statement that Germany no longer has any coherent strategic plan for the prolongation of the agony of this war. She has reached the stage where she is reduced to the necessity of patching up by any means nearest to hand those increasingly numerous leaks and gaps in her lines of defence which the rising tide of the Allied forces compel her to effect. Thanks to Russia's splendid work in Asia, Germany, so far from raising the Orient against Europe, is forced to consider whether she can any longer afford to assist the Turks to defend their country from the Russian menace. So far from breaching the outer lines of the defence of gallant France, Germany finds herself subjected to counter-attacks which seem to promise unpleasant consequences.

Germany keeps making attacks exhibiting liveliness all along a front which aggregates in three continents considerably over a couple of thousand miles in length. It is a marvellous performance to those who forget the forty years of preparation in every quarter of the globe. But these attacks have lost their terrors. The soldiers know them for what they are, namely, an active defensive, no longer the onslaughts that lead to victory. Germany has several big stakes still to play for, but the world-conquering confidence is gone, the supplies of men are failing, and the material to patch the gaps must be withdrawn from the defences themselves at the risk of leaving perilously thin places.

SUMMER HEAT IN INDIA.

WHAT CALCUTTA SUFFERED FOR A WHOLE WEEK.

The first few hot days of a new summer are always trying. They come suddenly with little warning and the result is that the most seasoned hand is caught unprepared. Those who have felt the discomfort of the approach of summer may take comfort from the following figures showing what Calcutta residents had to put up with last month. The figures are taken from the *Statesman* of May 31st, which says:—

There were signs on Wednesday afternoon of some relief from the heat wave in which Calcutta has been submerged for eight days. Late in the afternoon the sky was overcast and the temperature became noticeably cooler. The weather report, too, speaks of the move of rain from Assam to Lower Bengal, so the prospects of a change that is greatly needed were bright at the time of going to press.

Wednesday, however, was the eighth successive day on which the temperature well passed the century mark. At noon at Alipore 103.6 degrees was registered, or 3.3 in excess, and the humidity was probably greater than on the other days of the heat wave.

What Calcutta has had to suffer since April 20 can be seen from the following figures:—

	Temp.	Excess.
April 26	102.1	6.7
" 27	104.1	8.7
" 28	106.1	9.6
" 29	105.6	9.7
" 30	105.4	10.6
May 1	103.5	8.9
" 2	104.8	9.8
" 3	104.8	9.8

whole result of their visit. They hoped to see the final disappearance of certain prejudices which until lately had, up to a certain point, divided the two great nations. They appreciated what had fallen from the Prime Minister upon the Eastern question, and they looked forward to a further development of the Entente between the British and Russian Governments into a hearty friendship between the British and Russian peoples. Nations, as well as single persons, must, in order to bring about true and fruitful friendship, thoroughly know each other, and the inevitable result of a better understanding would be true and everlasting amity. (Cheers.)

A MESSAGE FROM THE RUSSIAN PEOPLE. Professor Milukov also acknowledged the toast. They came, he said, to England representing divergent political views and parties, but they were united by the sacred bond of national safety and by the necessity of national defence. They represented the policy of a great nation in the greatest crisis of its national life, and nationalities in Russia, as well as political parties, all stood united. Russians were conscious that they were defending themselves against the aggression of modern barbarians; but they were more than ever convinced that they were in the right when they found Great Britain on their side. (Cheers.) They brought this message from the Russian people:—"We wish you to know that we, too, understand what is at stake. We wish you to be assured that Russia will not surrender, but that the Russian people are ready to fight on to final success. We understand, like you, that nothing but decisive victory can bring about an era of international solidarity. We all feel, indeed, that a whole generation cannot have been sacrificed in vain. We owe it to our dear dead to bring their exertions to fruition, and to attain the great aim for which they willingly gave their lives. Tell the British nation that we Russians are ready to do duty, and that, together with you, our Allies, we look forward to a victorious consummation which will mark a decisive stage in the progress of civilized humanity. (Cheers.)"

